



AUSTIN CITY COUNCIL

MINUTES

BUDGET MEETING

MONDAY, SEPTEMBER 8, 2008

The following represents the actions taken by the Austin City Council in the order they occurred during the meeting. The City Council of Austin, Texas, convened in a special meeting on Monday, September 8, 2008 in the Council Chambers of City Hall, 301 W. 2nd Street, Austin, Texas.

Mayor Wynn called the Council Meeting to order at 10:10 a.m.

1. Approve waiver of certain fees and requirements, and authorize payment of police costs for the Olympic Recognition Procession special event to be held on Friday, September 12, 2008. (Council Member Mike Martinez Council Member Lee Leffingwell and Council Member Laura Morrison)
The motion waiving certain fees and requirements and authorizing payment of police costs for the Olympic Recognition Procession special event was approved on Council Member Morrison's motion, Council Member Leffingwell's second on a 7-0 vote.
2. Approve an ordinance adopting the Operating Budget for Fiscal Year 2008-2009, beginning on October 1, 2008, and ending on September 30, 2009.
Ordinance No. 20080908-002 adopting and approving the Operating Budget for the Fiscal Year beginning on October 1, 2008 and ending on September 30, 2009 and making appropriations for each department, project and account, including the errata, as amended below, was approved on Council Member Cole's motion, Mayor Pro Tem McCracken's second on a 7-0 vote.

The General Fund revenue and expenditures for operating requirements for Fiscal Year 2008-09 were approved as follows:

The motion to amend the Proposed Budget by increasing property tax revenue by \$302,675, which reflects the certified tax roll and the adoption of a tax rate of 40.12 cents per \$100 valuation was approved on Council Member Leffingwell's motion, Council Member Cole's second on a 7-0 vote.

The motion to amend the Proposed Budget by increasing appropriations in the amount of \$234,675 or Social Services Contracts to be allocated during Fiscal Year 2009 was approved on Council Member Shade's motion, Council Member Leffingwell's second on a 7-0 vote.

The motion to amend the Proposed Budget of the General Fund by reducing transfers to the Housing CIP budget in the amount of \$202,624 and increasing transfers out to the Housing Trust Fund by the same amount was approved on Council Member Morrison's motion, Council Member Martinez' second on a 7-0 vote. This amendment, along with a subsequent amendment for the CIP will restore \$1.0 million to the Housing Trust Fund. Net impact to the General Fund is zero.

The motion to amend the Proposed Budget by adding two FTEs to the Neighborhood Planning and Zoning Department in the amount of \$147,400 but to reflect these positions are to remain vacant until such time as funding becomes available was approved on Council Member Morrison's motion, Council Member Martinez' second on a 7-0. The vacancy savings in the department will be increased by the same amount creating a net increase of zero to the operating budget.

The motion to amend the Proposed Fiscal Year 2009 Budget by increasing appropriations for the Health Department in the amount of \$68,000 for the Social Services contract for Family Eldercare was approved on Council Member Leffingwell's motion, Council Member Shade's second on a 7-0 vote.

Other fund amendments were as follows:

The motion to amend the Proposed Budget of the Public Works Department Transportation Fund Operating budget by increasing transportation user fee revenue in the amount of \$4,770,000 and by increasing expenditures in the amount of \$4,819,727 for increased preventative street maintenance work was approved on Council Member Cole's motion, Council Member Leffingwell's second on a 7-0 vote.

There was a motion to designate a total of \$100,000 in the Austin Energy budget for the African American Men and Boys Conference through existing Fiscal Year 2009 appropriations that was made on Council Member Martinez' motion and Council Member Cole's second. There was a friendly amendment from Council Member Cole to also designate a total of \$100,000 in the Austin Energy budget for Hispanic Futures Conference through existing Fiscal Year 2009 appropriations. This friendly amendment was accepted by the maker of the motion and the amended motion was approved on a 7-0 vote.

The following six amendments were considered in one action on Mayor Pro Tem McCracken's motion, Council Member Morrison's second on a 7-0 vote. Amendments to other fund expenditures, authorized positions and transfers to reflect amendments approved for the General Fund were as follows:

Amend the Fiscal Year 2009 Proposed Operating Budget of the Aviation Department by decreasing the number of FTEs by 22.0, reducing total revenue by \$9,142,000, reducing expenditures by \$1,644,500 and reducing transfers out to the Airport Capital Fund by \$7,497,500.

Amend the proposed Airport Capital Fund by reducing transfers in from the Aviation Department Operating Fund in the amount of \$7,497,500.

Amend the proposed budget of the Mueller Tax Increment Financing Fund to reflect property tax revenue of \$470,925 based on the certified tax roll and increasing requirements by \$470,925.

Amend the proposed budget of the Waller Creek Tax Increment Financing Fund to reflect property tax revenue of \$211,861 based on the certified tax roll.

Amend the proposed budget by creating a new Transportation Department and transferring 1.0 FTE in from the Public Works Transportation Fund.

Amend the proposed budget of the Housing Trust Fund to increase transfers in from the General Fund in the amount of \$202,624, to increase transfers in from the Housing CIP in the amount of \$798,000 and to increase expenditure appropriations in the amount of \$1,000,624.

The next two amendments to the Special Revenue Fund were considered in one action on Council Member Cole's motion, Council Member Morrison's second on a 7-0 vote.

Amend the Fiscal Year 2009 Proposed Budget of the Management Services Special Revenue Fund by increasing appropriations in the amount of \$50,000 for the Hazard Mitigation Grant Program.

Amend the Fiscal Year 2009 Proposed Budget of the Health and Human Services Special Revenue Fund by increasing appropriations in the amount of \$195,000 for the Refugee Health Screening Grant Program and increasing FTEs by 1.75.

3. Approve an ordinance adopting the Capital Budget for Fiscal Year 2008-2009, beginning on October 1, 2008, and ending on September 30, 2009.

Ordinance No. 20080908-003 adopting and approving the Capital Budget for the Fiscal Year beginning on October 1, 2008 and ending on September 30, 2009 and making appropriations for each department, project and account, including the errata, as amended below, was approved on Council Member Cole's motion, Council Member Martinez' second on a 7-0 vote.

The motion to amend the Proposed Capital Budget of the Public Works Department by increasing appropriations in the amount of \$2,000,000 for sidewalk improvements including ADA (Americans with Disabilities Act) funding for a total of \$5,000,000 was approved on Council Member Morrison's motion, Mayor Pro Tem McCracken's second on a 7-0 vote. Funding is anticipated from reimbursements due from the Texas Department of Transportation.

The motion to amend the Proposed Capital Budget of Neighborhood Housing and Community Development by reducing the transfer in from the General Fund in the amount of \$202,624 and reducing appropriations in the same amount; and by de-appropriating \$798,000 in existing appropriations and transferring cash in the same amount to the Housing Trust Fund was approved on Council Member Morrison's motion, Council Member Leffingwell's second on a 7-0 vote.

4. Ratify the property tax increase reflected in the Budget for Fiscal Year 2008-2009.
The motion ratifying the property tax increase reflected in the Fiscal Year 2008-09 budget was approved on Council Member Cole's motion, Council Member Leffingwell's second on a 7-0 vote.

5. Approve an ordinance adopting and levying a property (ad valorem) tax rate for the City of Austin for Fiscal Year 2008-2009.

Ordinance No. 20080908-005 adopting a tax rate of 40.12 cents per \$100 valuation was approved on a roll call vote on Council Member Cole's motion, Council Member McCracken's second on a 7-0 vote.

6. Approve an ordinance authorizing fees, fines, and other charges to be set or charged by the City for Fiscal Year 2008-2009, beginning on October 1, 2008, and ending on September 30, 2009.

Ordinance No. 20080908-006 authorizing fees, fines and other charges to be set or charged by the City for Fiscal Year 2008-09, beginning on October 1, 2008 and ending on September 30, 2009 and amending the City Code, including the errata, as amended below, was approved on Council Member Martinez' motion, Council Member Shade's second on a 7-0 vote.

The motion to approve an amendment to the Transportation User Fee as follows by increasing monthly fees, per the revised fee schedule to generate an additional \$4,770,000 for street preventative maintenance was approved on Council Member Leffingwell's motion, Council

Member Cole's second on a 7-0. The Transportation User Fee increases to the monthly rates, per the revised fee schedule are:

Single Family Home - by .83 cents from \$4.14 to \$4.97 per month.
 Duplex - by .75 cents from \$3.73 to \$4.48 per month
 Triplex - by .62 cents from \$3.10 to \$3.72 per month
 Fourplex - by .62 cents from \$3.10 to \$3.72 per month
 Five or more units - by .63 cents from \$3.15 to \$3.78 per month
 Townhouse/Condominium - by .62 cents from \$3.10 to \$3.72 per month
 Mobile home - by .53 cents from \$2.66 to \$3.19 per month
 Garage apartment - by .83 cents from \$4.14 to \$4.97 per month
 Commercial Fee by \$4.14 from \$20.71 to \$24.85 per acre/per month

The motion to approve an amendment to the Solid Waste Services Fee Schedule by adjusting Residential and Commercial Garbage Cart Rates as follows in order to encourage use of small garbage carts and to increase recycling efforts and to amend the fee for Contracted Residential Dumpster Service in the Central Business District by increasing the monthly charge by \$2.50 from \$10.50 to \$13.00 was approved on Council Member Martinez' motion, Council Member Shade's second on a 7-0 vote. The amendment to the Solid Waste Services Residential and Commercial Garbage Cart Rates is:

30 gallon cart - decrease by .25 cents from \$5.00 to \$4.75 per month
 60 gallon cart - increase by .50 cents from \$9.50 to \$10.00 per month
 90 gallon cart - increase by \$3.50 from \$13.00 to \$16.50

7. Approve an ordinance to establish classifications and positions in the classified service of the Austin Fire Department and repeal Ordinance No.20080131-010. Funding is included in the Fiscal Year 2008-2009 Operating Budget of the Austin Fire Department.
 Ordinance No. 20080908-007 establishing classifications and positions in the classified service of the Austin Fire Department and repeal Ordinance No.20080131-010 was approved on Council Member Martinez' motion, Council Member Leffingwell's second on a 6-0 vote. Mayor Pro Tem McCracken was off the dais. . Funding is included in the Fiscal Year 2008-2009 Operating Budget of the Austin Fire Department.
8. Approve an ordinance to establish classifications and positions in the classified service of the Austin Police Department and repeal Ordinance No. 20080214-020. Funding is included in the Fiscal Year 2008-2009 Operating Budget for the Austin Police Department.
 Ordinance No. 20080908-008 establishing classifications and positions in the classified service of the Austin Police Department and repeal Ordinance No. 20080214-020.was approved on Council Member Martinez' motion, Council Member Leffingwell's second on a 6-0 vote. Mayor Pro Tem McCracken was off the dais. Funding is included in the Fiscal Year 2008-2009 Operating Budget for the Austin Police Department
9. Approve a resolution amending the Personnel Policies regarding Service Incentive Pay. There is no fiscal impact.
 Resolution No. 20080908-009 amending the Personnel Policies regarding Service Incentive Pay was approved on Council Member Martinez' motion, Council Member Leffingwell's second on a 6-0 vote. Mayor Pro Tem McCracken was off the dais.
10. Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2000 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of \$9,411,000 related to street and bicycle improvements; to reimburse itself from November 2006 Proposition 1 General

Obligation bonds to be issued for expenditures in the amount of \$24,660,000 related to street reconstruction, sidewalks, and traffic signals; to reimburse itself from November 2006 Proposition 2 General Obligation bonds to be issued for expenditures in the amount of \$20,000,000 related to watershed protection master plan projects and open space acquisition; to reimburse itself from November 2006 Proposition 3 General Obligation bonds to be issued for expenditures in the amount of \$15,855,000 related to parks facilities improvements and renovations, and parkland acquisition; to reimburse itself from November 2006 Proposition 4 General Obligation bonds to be issued for expenditures in the amount of \$2,100,000 related to community and cultural facilities; to reimburse itself from November 2006 Proposition 5 General Obligation bonds to be issued for expenditures in the amount of \$10,500,000 related to affordable housing programs; to reimburse itself from November 2006 Proposition 6 General Obligation bonds to be issued for expenditures in the amount of \$18,000,000 related to the new central library project; to reimburse itself from November 2006 Proposition 7 General Obligation bonds to be issued for expenditures in the amount of \$16,475,000 related to public safety facilities; and to reimburse itself from Certificates of Obligation in the amount of \$2,500,000 for expenditures related to Zilker Park improvements. \$117,001,000 in General Obligation Public Improvement Bonds to be issued in August 2009 or later; and \$2,500,000 in non tax-supported General Obligation Certifications of Obligation to be issued in August 2009 or later.

Resolution No. 20080908-010 declaring official intent to reimburse \$117,001,000 in General Obligation Public Improvement Bonds and \$2,500,000 in Certificates of Obligation was approved on Council Member Cole's motion, Council Member Shade's second on a 7-0 vote.

11. Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued through October 2009 for acquisition and construction costs in an aggregate maximum principal amount of \$240,000,000 related to Fiscal Year 2008-2009 Austin Water Utility Capital Improvement Projects.

Resolution No. 20080908-011 declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued through October 2009 for acquisition and construction costs in an aggregate maximum principal amount of \$240,000,000 related to Fiscal Year 2008-2009 Austin Water Utility Capital Improvement Projects was approved on Council Member Cole's motion, Council Member Shade's second on a 7-0 vote.

12. Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations in an aggregate maximum principal amount of \$137,000,000 for expenditures related to the acquisition and construction of electric utility capital improvement projects.

Resolution No. 20080908-012 declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations in an aggregate maximum principal amount of \$137,000,000 for expenditures related to the acquisition and construction of electric utility capital improvement projects was approved on Council Member Cole's motion, Council Member Shade's second on a 7-0 vote.

13. Approve a resolution adopting the Austin Convention and Visitors Bureau (ACVB) 2008-2009 Marketing Plan and proposed budget in the amount of \$10,183,790, set the contract payment from the City of Austin to ACVB at \$8,439,500 for the Fiscal Year 2008-2009, and direct the City Manager to file the approved documents with the City Clerk's office as required by the Texas Tax Code. Funding in the amount of \$8,439,500 is available in the Fiscal Year 2008-2009 Proposed Operating Budget for the Tourism and Promotion Fund. The Fiscal Year 2008-2009 Tourism and Promotion Fund is attached. Funding for the remaining \$1,744,290 of the ACVB budget is available from the sources shown in the attachment.

Resolution No. 20080908-013 adopting the Austin Convention and Visitors Bureau (ACVB) 2008-2009 Marketing Plan and proposed budget in the amount of \$10,183,790, set the contract payment from the City of Austin to ACVB at \$8,439,500 for the Fiscal Year 2008-2009, and direct the City Manager to file the approved documents with the City Clerk's office as required by the Texas Tax

Code was approved on Mayor Pro Tem McCracken's motion, Council Member Cole's second on a 7-0 vote.

14. Approve a resolution to modify the agreement between the Austin Convention and Visitors Bureau (ACVB) and the City of Austin (COA) by changing the funding source from the City of Austin's General Fund to the Austin Convention Center Department Palmer Events Center Revenue Fund for funding 3 Full Time Equivalent (FTE) positions and related services for music and film. Funding in the amount of \$125,382 is available in the Fiscal Year 2008-2009 Proposed Operating Budget of the Austin Convention Center Department Palmer Events Center Revenue Fund.

Resolution No. 20080908-014 modifying the agreement between the Austin Convention and Visitors Bureau (ACVB) and the City of Austin (COA) by changing the funding source from the City of Austin's General Fund to the Austin Convention Center Department Palmer Events Center Revenue Fund for funding 3 Full Time Equivalent (FTE) positions and related services for music and film was approved on Mayor Pro Tem McCracken's motion, Council Member Cole's second on a 7-0 vote.

15. Approve a resolution awarding contracts for Cultural Arts Services for the Fiscal Year 2008-2009. Funding in the amount of \$6,132,924 is available in the Fiscal Year 2008-2009 Proposed Budget for the Cultural Arts Fund for cultural arts contracts; \$25,000 is expected in the Fiscal Year 2008-2009 Texas Commission on the Arts Subgranting Program grant for a total of \$6,157,924. Recommended by the Austin Arts Commission.

Resolution No. 20080908-015 awarding contracts for Cultural Arts Services for the Fiscal Year 2008-2009 was approved on Council Member Martinez' motion, Council Member Morrison's second on a 7-0 vote.

Mayor Wynn adjourned the meeting at 10:51 p.m. without objection.

The minutes for the Special meeting of September 8, 2008 were approved on this the 25th day of September 2008 on Council Member Cole's motion, Council Member Morrison's second on a 7-0 vote.

ATTACHMENT A

AUSTIN CONVENTION & VISITORS BUREAU

Proposed Budget 2008-2009

REVENUE	Proposed FY2009	Approved FY2008	Estimated FY2008
City Contract – FY 2008/09 Hotel Occupancy Tax & PEC Revenue Fund*	8,439,500	7,707,361	7,707,361
Retail Revenue	752,000	731,500	731,500
Publication Sales	20,000	21,200	21,200
Rack Rental	25,000	30,000	30,000
Assessment Fees	7,200	6,000	6,000
Promotional Participation	269,890	177,450	177,450
Services Billed	183,200	176,200	176,200
Donated Services	359,000	321,500	321,500
Interest Income	36,000	9,000	9,000
Sponsorship Revenue	89,000 - -		
Other Income	3,000	3,000	3,000
TOTAL REVENUE	10,183,790	9,183,211	9,183,211
EXPENSES			
Convention Sales & Services *	5,237,169	4,581,097	4,581,097

MINUTES OF CITY COUNCIL BUDGET MEETING

SEPTEMBER 8, 2008

Marketing **	2,176,923	2,080,362	2,080,362
Finance/Administration/IT	1,231,834	1,059,161	1,059,161
Music & Film	534,689	309,091	309,091
Visitor Center	1,003,175	953,500	953,500
Reserve Fund Replenishment -		200,000	200,000
TOTAL EXPENSES	10,183,790	9,183,211	9,183,211

CHANGE IN NET ASSETS

	FY2009 Percentage Allocation	FY2008 Percentage Allocation
Convention Sales *	35%	36%
Minority Chamber Support *	3%	3%
Tourism Sales *	6%	7%
Convention Services *	6%	4%
Convention Services – Housing *	2%	2%
Marketing Communications **	18%	16%
Music & Film	5%	3%
Heritage Tourism **	4%	5%
Visitor Center	10%	10%
Finance/Administrative/IT	12%	12%
Reserve Fund	0%	2%
	100%	100%

*\$125,382 has historically been paid from the City of Austin General Fund, but was moved to the Palmer Events Center Revenue Fund in FY09

ATTACHMENT B

TOURISM AND PROMOTION FUND

	2006-07 ACTUAL	2007-08 AMENDE D	2007-08 ESTIMATE D	2008-09 PROPOSE D
BEGINNING BALANCE	1,132,639	642,632	943,450	764,631
REVENUE				
Miscellaneous	20,223	15,681	4,000	0
Interest on Investments	62,471	66,326	46,606	62,000
TOTAL REVENUE	82,694	82,007	50,606	62,000
TRANSFERS IN				
Hotel/Motel Occ Tax Revenue	6,802,370	6,857,340	7,352,554	7,487,487
General Fund	125,382	125,382	125,382	0
PEC Revenue Fund	0	0	0	125,382
TOTAL TRANSFERS IN	6,927,752	6,982,722	7,477,936	7,612,869
TOTAL AVAILABLE FUNDS	7,010,446	7,064,729	7,528,542	7,674,869

MINUTES OF CITY COUNCIL BUDGET MEETING

SEPTEMBER 8, 2008

EXPENSES				
	7,199,63			
Tourism and Promotion Contracts	<u>5</u>	<u>7,707,361</u>	<u>7,707,361</u>	<u>8,439,500</u>
	7,199,63			
TOTAL EXPENSES	<u>5</u>	<u>7,707,361</u>	<u>7,707,361</u>	<u>8,439,500</u>
	7,199,63			
TOTAL REQUIREMENTS	<u>5</u>	<u>7,707,361</u>	<u>7,707,361</u>	<u>8,439,500</u>
EXCESS (DEFICIENCY) OF AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	<u>(189,189)</u>	<u>(642,632)</u>	<u>(178,819)</u>	<u>(764,631)</u>
ENDING BALANCE	<u>943,450</u>	<u>0</u>	<u>764,631</u>	<u>0</u>